

**COLUMBIA COUNTY PUBLIC HEALTH DISTRICT**  
**Columbia County, Washington**  
**January 1, 1994 Through December 31, 1995**

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**Schedule Of Findings**

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1. The District Should Adhere To The Contract With Columbia County Services

The Columbia County Health District (CCHD) contracted with Columbia County Services (CCS) to perform various functions for the district. The contract required the exchange of certain information. Our audit noted the system of exchanging information between the district and CCS had the following weaknesses:

- The district did not provide details of Environmental Health billings to CCS which would enable CCS to monitor collections.
- The district did not provide time sheets to CCS which would enable charging of actual time to the various grants and projects of the district.
- District administrators do not have access to the bookkeeping records prepared by CCS, which is a necessary contract monitoring function.

The agreement for 1994 and 1995 between the district and CCS, states in part:

- 1) CCS agrees to provide Bookkeeping services to CCHD, and
- 2) CCHD agrees to provide CCS all necessary paperwork for billings covered under this agreement.

CCHD and CCS appear to have unresolved differences on the meaning of certain provisional language in the contract. Without timely resolution of these differences, billings cannot be monitored for collection at the account level, time charges to projects could be in error, and district officials will not have access to information needed for contract administration.

We recommend the district review implementation of the contract with CCS and resolve interpretation issues in order to:

- Provide detail at the account level of Environmental Health billings to CCS.
- Provide completed time sheets to CCS.
- Allow district administrators access to the bookkeeping records kept by CCS.

*Auditee Response*

*We agree with the finding and have implemented procedures necessary to provide the detail information outlined in the recommendations.*

District Officials Should Prepare Timely And Accurate Annual Reports

The 1994 annual report was filed three months late. The 1995 annual report was filed within the prescribed period, but the report contained numerous errors. The 1995 financial information included in this audit report contains the corrected information.

RCW 43.09.230 states in part:

. . . reports shall be prepared, certified, and filed with the state auditor within one hundred fifty days after the close of each fiscal year. The reports shall contain accurate statements . . . .

When financial reports are not filed as required, district officials, grantors, and other users are denied information concerning the district's financial condition.

There was no review process to assure accuracy of the information in the annual report.

We recommend the district prepare and file annual reports as required by law.

*Auditee Response*

*We agree with the finding. The Fiscal Manager will ensure future reports will be prepared and filed in compliance with the statute.*

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Schedule Of Federal Findings

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1. Payroll Charges To Federal Grants Should Be Based On Actual Time Usage

Our audit of the Women, Infants, Children grant (CFDA 10.557) and Maternal and Child Health grant (CFDA 93.994) found that the system the district used to claim reimbursement for payroll expenditures was based on a study of time used at the beginning of the grant period. This system is not allowed by federal regulations.

OMB Circular A-87, Attachment A, Section C.1 states in part:

To be allowed under a grant program, costs must meet the following general criteria:

- a. Be necessary and reasonable . . .
- f. Not be allocable to or included as a cost of any other federally financed program in either the current or a prior period . . .

The prior audit determined that the system of charges to federal programs was not supported by employee prepared time sheets. Since that finding was issued, the district has used time sheets, but not as a regular basis for charging federal programs. District charges to federal programs were based on the results of a study of only two weeks of time sheet information. No follow-up study was performed to verify that the time distribution for the study period represented actual use of employee time for the grant period.

The district did not provide time sheets to Columbia County Services which would enable charging of actual time to the various grants and projects of the district.

Without a follow-up study, the district cannot be assured that the two-week study period reasonably represented actual time distribution to the programs.

We recommend the district base future reimbursement requests on actual time sheet data or perform the requisite follow-up study to assure accurate representation of time.

Auditee Response

*We agree with the finding. Future reimbursement requests will be based on actual time.*